

## PERMIT CHRONOLOGY

### Yerian Mine

S/047/034

(May 9, 1996)

Legals:	SW/4 SW/4, Section 35, T6S, R21E, SLBM
April 4, 1988	Division site inspection. Placer operations conducted by Al Rice and Dennis Setliff. Site is on private land owned by Stewart Ashton. Site is adjacent to S/047/033. Disturbance is estimated at 4 to 5 acres. Land owner requests clean gravel be left after mining. Operator was instructed to submit a SMO-NOI.
May 6, 1988	Division inspection of site adjacent to Yerian site. Processing area being set up on Yerian site. No SMO-NOI received yet.
May 31, 1988	SMO-NOI received by the Division. NOI submitted and signed by Al Rice as lessee.
June 15, 1988	Division letter notifying operator that NOI is complete.
November 2, 1988	Division inspection performed 11/1/88. Disturbance is estimated at nearly five acres. A problem with the sediment pond system was noted. DEH, BWPC will be contacted.
December 9, 1988	Received copy of DEH's certified letter to Al Rice. Operator is requested to submit a copy of the construction permit and approved plans, and a copy of the NPDES permit within 15 days.
February 3, 1989	Received copy of DEH certified letter to Al Rice, requesting information relative to the size and nature of the operation and its associated facilities. A February 28, 1989 deadline for receipt is given.
February 8, 1989	Division request for 1988 annual report sent to operator.
April 24, 1989	Annual report for 1988 received. Operator estimates three acres disturbed during the year and one acre regraded.
January 5, 1990	Request for 1989 annual report sent to operator.



February 15, 1990	Annual report for 1989 received from Al Rice. Report states no new acreage affected. Approximately 1 acre was regraded and will be reseeded. Total unreclaimed acreage is 1+ acres. Operator is Al Rice.
August 21, 1990	File memo. Joint BLM-DOGM inspection. Site inspection performed 8/15/90. Total area of disturbance is estimated to be over 5 acres and included the pipeline corridor, ponds, gravel piles, milling area and roads. A meeting was held after the inspection with Dennis Setliff, the current operator. He was informed of the Division's concerns. He agreed to provide proof of the lease agreement requiring piles of washed gravel to remain onsite.
October 16, 1990	File memo regarding 10/10/90 joint DOGM-Army Corp of Engineers (ACE) site inspection. The operator is waiting for the old drainage channel to freeze so it could be regraded. This was suggested in order to keep the site disturbance under 5 acres. The ACE informed Mr. Setliff that the disturbed boundary should not move any closer to the riparian area on the river. {This memo was copied to Mr. Setliff}.
December 31, 1990	Request for 1990 annual report sent to Mr. Al Rice.
June 21, 1991	Second request for 1990 annual report sent to Mr. Al Rice.
July 11, 1991	Received 1990 annual report from WSMARK Corporation with Dennis Setliff as company representative. Approximately 1+ acres was regraded and will be seeded. Total unreclaimed acreage is listed as 3 acres. The property and/or equipment is involved in litigation. Reid M. Waltman, President of WSMARK, Corp. signed the form. The form indicates that only the name of the operator has changed.
August 9, 1991	Letter requesting operator complete a transfer of Notice of Intention for this mining operation sent to Mr. Setliff.
January 14, 1992	File memo documenting 5/20/92 unscheduled inspection. A new operator Jetco was operating at the site. Jetco is a subsidiary of



Golden Eagle Mines. Mr. Frank Kelly (mobil phone #) is given as a contact. This operator was under the impression that all transfers and paper work were taken care of. The disturbance was estimated to exceed 5 acres, although 1-1.5 acres had been regraded. A copy of the memo was copied to the address given for Mr. Kelly.

May 8, 1992

Phone conversation with Mr. Kelly. He had the impression that all paperwork was complete. He will work on it and get a letter in to the Division. Their address is 1144 East Highway 40, Vernal, Utah, 84078. Jetco is a subsidiary of Golden Eagle Mines, a Canadian Company.

June 19, 1992

Received call from Randy Huber of Jetco Chemical, Inc., Roosevelt, Utah. They are not the Jetco we are looking for. They have received other requests for the Jetco in question, but have no information for us.

June 22, 1992

Received DOGM letter of 5/21/92. Letter was received by Jetco Chemical, Inc. of Roosevelt, Utah by mistake.

September 9, 1992

File memo regarding 9/3/92 joint DOGM-BLM inspection of adjacent mining property. During the inspection, Mr. Jerry Fitzen, co-owner of Jetco, and Mr. Grant Grimm (789-4159) arrived onsite. The BLM expressed concern about a cobble pile from the Yerian site encroaching upon Federal lands. Mr. Fitzen informed us that Jetco had entered into an agreement with Mr. Setliff. In this agreement, Jetco was to be responsible for any new disturbance and Mr. Setliff was responsible for any old disturbance. It was decided that the Division would seek to resolve mining disturbance responsibility issue prior to the BLM taking any further action.

September 10, 1992

- Called Utah Occupation and Professional Licensing (530-6628). No Jetco license listed.
- Called Uintah County Recorder (781-0770). No Jetco in the county listings.



- Called Vernal City Offices (789-2255). No Jetco listed with 1144 East Highway 40 address.

- Called Naples City Offices (789-9090) and left message. Suggested calling again later and ask for Penny.

- Called Frank Kelly at mobil phone (1-828-7645). The number is no longer in service.

December 29, 1992

Request for 1992 Annual Report.

May 3, 1993

Received copy of letter BLM to Al Rice, Orotex Minerals. Letter requested an onsite meeting to determine what disturbance Orotex Minerals was responsible for. The BLM also suspended the Notice of Noncompliance Decision until 9/1/93 or until appropriate reclamation is completed (whichever comes first).

May 7, 1993

Certified letter sent to Al Rice, regarding outstanding permitting concerns; who is or has been conducting operations at the site. Areas of concerns that need resolved were

- 1) no record of permit transfer from Al Rice to Dennis Setliff. No record of permit transfer from Al Rice or Dennis Setliff to Jetco.
- 2) Composite disturbance appears to have exceeded 5 acres.
- 3) 1991 and 1992 annual reports have not been received.

Told operator that they had 30 days to complete the following:

- 1) Submit completed annual reports for 1991 & 1992 indicating the appropriate operator & operator's representative.
- 2) If Al Rice is not current operator, complete & return a Permit Transfer form, with the new operator's signature.
- 3) Contact Division to coordinate an onsite inspection to discuss mining disturbance & possible reclamation of areas that may exceed the 5 acre limit.
- 4) Complete items 1 & 2 before conducting any future mining activity.

May 10, 1993

Tony Gallegos received call from Michael Wood, PNC Enterprises, who told him he was the current operator of the

Yerian site. Mr. Woods would like to know how to remedy the permitting situation. Tony informed Mr. Wood to send a letter describing the recent history of the site. Also advised him to contact the BLM Vernal District.

May 12, 1993

Received letter from PNC Enterprises stating they were the new assignee of the lease on the Yerian property. That they would be happy to complete the SMO form and reclaim the disturbance down to 5 or less acres.

May 14, 1993

Received letter from Mary Ashton (landowner). Mrs. Ashton requested a copy of the Utah State Lease for Metalliferous Minerals. A copy of this letter was forwarded to State Lands.

May 21, 1993

Letter sent to Michael Wood, PNC Enterprises. Letter stated that due to the numerous operators and incomplete permit file, an onsite inspection would have to be made and have PNC submit a new SMO notice. It may be necessary to add some stipulations in the SMO dealing with the encroachment and acreage issues.

July 27, 1993

Site inspection made of the Yerian mine, with Tony Gallegos, DOGM staff; Jerry Fitzen, PNC representative; and D.J. Beaupourt-Schantz, BLM representative. Purpose of inspection was to discuss the disturbed acreage and possible encroachment onto BLM lands. Mr. Fitzen stated no mining had taken place since June, 1992, with Golden Eagle Mining (Andy Babiy) as the operator; prior to that was WSMARK (Dennis Setliff). It was determined that PNC would submit a new SMO notice.

September 23, 1993

Certified letter sent to Michael Good, PNC advising him that the SMO had not been received yet. Another SMO form was sent requesting that it be returned within 15 days.

October 6, 1993

Letter from PNC to DOGM. The reason there has been no SMO submitted is because PNC agreed to purchase the leases and enter into a mining operation on an installment purchase basis with the owner, Golden Eagle Mines. Mr. Babiy is the president of Golden Eagle Mines and is the only one who can complete the forms. PNC went to the property in May & June to begin testing



equipment. After six weeks of testing and tuning equipment, it was determined no profit could be made. PNC never starting operating, and gave things back to Golden Eagle Mines.

October 15, 1993

Certified letter to Andrew Babiy, Golden Eagle Mines confirming phone conversation of October 12, 1993. Meeting needs to be held to discuss: 1) encroachment of a cobble pile onto BLM lands, and 2) site disturbance exceeding five acres. Will contact Mr. Babiy in February to arrange a date & time for the meeting. Sent SMO form to Mr. Babiy.

December 20, 1993

Annual Report for 1993 was requested.

January 10, 1994

Received 1993 annual report, sent in by Golden Eagle Mines, Inc. (Mr. A. Babiy). Report was not signed.

May 19, 1994

Joint inspection of the Yerian Mine, attended by Tony Gallegos, DOGM; Jerry Fitzen, Golden Eagle Mining and D.J. Beaupeurt-Schantz, BLM. The BLM had met with Mr. Babiy some weeks ago and Mr. Babiy agreed to reclaim those disturbances which had been created on BLM land. Disturbance on the BLM ground was done by previous operator (Dennis Setliff). The BLM would be sending Mr. Babiy a letter describing the work to be done & include a map of where work needed to be done. It was discussed with Mr. Fitzen that while doing reclamation on the BLM land, that it would also be a good time to reclaim areas no longer needed on the private ground in order to bring area back down under 5 acres. A good area to reclaim would be west of the crushing plant. Mr. Fitzen would discuss it with Mr. Babiy who would make the final decision.

August 8, 1994

Received copy of BLM's letter to Mr. Babiy (Naxos Resources Ltd). The encroachment onto BLM lands involved less than 2 acres. Letter indicated that a turn-around berm had been made near the entrance of the mine to encourage vandals & recreationists to turn around and not enter the private property. BLM does not feel the berm should be on their land, but kept on the private land. Reclamation of the entire encroachment area was stated. A seedmix recommendation was included. Photos

were sent with letter showing the areas of disturbance. BLM wants to be notified within 10 days after reclamation is done so an inspection can be made.

December 20, 1994

Request for 1994 annual report sent to Mr. Babiy.

January 30, 1995

Received 1994 annual report from Golden Eagle Mines. Report was signed by Nestor Pukalo, Secretary. Report stated site was in section 2 and 11, of T7S, R21E. (Notice states section 35, T6S, R21E). Report stated that mine was inactive during 1994 year. No acreages were included on the report.